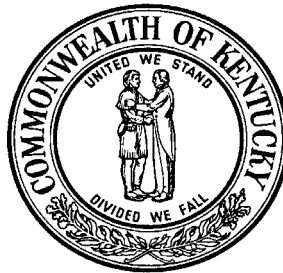


**REPORT OF THE AUDIT OF THE
DAVISS COUNTY
SHERIFF**

**For The Year Ended
December 31, 2004**



**CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS
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CRIT LUALLEN
AUDITOR OF PUBLIC ACCOUNTS

The Honorable Louis Reid Haire, Daviess County Judge/Executive
Honorable Keith Cain, Daviess County Sheriff
Members of the Daviess County Fiscal Court

The enclosed report prepared by Mountjoy & Bressler, LLP, Certified Public Accountants, presents the statement of revenues, expenditures, and excess fees - regulatory basis of the County Sheriff of Daviess County, Kentucky, for the year ended December 31, 2004.

We engaged Mountjoy & Bressler, LLP, to perform the audit of this statement. We worked closely with the firm during our report review process; Mountjoy & Bressler, LLP, evaluated the Daviess County Sheriff's internal controls and compliance with applicable laws and regulations.

Respectfully submitted,

A handwritten signature in cursive script, reading "Crit Luallen".

Crit Luallen
Auditor of Public Accounts

Enclosure



EXECUTIVE SUMMARY

AUDIT EXAMINATION OF THE DAVISS COUNTY SHERIFF

**For The Year Ended
December 31, 2004**

Mountjoy & Bressler, LLP has completed the Daviess County Sheriff's audit for the year ended December 31, 2004. Based upon the audit work performed, the financial statements present fairly, in all material respects, the revenues, and expenditures of the County Sheriff and the revenues, expenditures, and fund balances of the County Sheriff's operating fund and county fund with the State Treasurer in conformity with the regulatory basis of accounting.

Financial Condition:

A fee official in counties with a population over 70,000 has two funds established with the state for the deposit of fees collected. Seventy-five percent (75%) of the fees collected are deposited in a County Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected are deposited to the county government fund and paid quarterly to the county government. These funds are closed at the end of each four-year term by paying the balances to the respective county government.

The Daviess County Sheriff had total receipts of \$4,668,359, which was a \$1,175,431 increase from the prior year. Except for reimbursed expenses in the amount of \$26,958 and fiscal court contributions of \$1,332,556, the sheriff paid 25% of receipts to the Daviess County Fiscal Court in the amount of \$268,570. This was an increase of \$19,312 from the prior year. In addition, disbursements increased by \$1,156,119.

Deposits:

The Sheriff's deposits were insured and collateralized by bank securities or bonds.

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The Honorable Louis Reid Haire, Daviess County Judge/Executive
Honorable Keith Cain, Daviess County Sheriff
Members of the Daviess County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of revenues and expenditures - regulatory basis of the County Sheriff of Daviess County, Kentucky, and the statement of revenues, expenditures, and fund balances of the County Sheriff's operating fund and county fund with the State Treasurer - regulatory basis for the year ended December 31, 2004. These financial statements are the responsibility of the County Sheriff. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for County Fee Officials issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the County Sheriff prepares the financial statements on a regulatory basis of accounting that demonstrates compliance with the laws of Kentucky, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the revenues and expenditures of the County Sheriff and the revenues, expenditures, and fund balances of the County Sheriff's operating fund and county fund with the State Treasurer for the year ended December 31, 2004, in conformity with the regulatory basis of accounting.

The Honorable Louis Reid Haire, Daviess County Judge/Executive
Honorable Keith Cain, Daviess County Sheriff
Members of the Daviess County Fiscal Court

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States and Local Governments and Non-Profit Organization, and is not a required part of the financial statements. Such information has been subjected to auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated September 27, 2005, on our consideration of the County Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

This report is intended solely for the information and use of the County Sheriff and Fiscal Court of Daviess County, Kentucky, and the Commonwealth of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Mountjoy & Bressler, LLP.

Mountjoy & Bressler, LLP

Audit fieldwork completed -
September 27, 2005

DAVIESS COUNTY
KEITH CAIN, COUNTY SHERIFF
STATEMENT OF REVENUES AND EXPENDITURES - REGULATORY BASIS

For The Year Ended December 31, 2004

Revenues

Federal Grants		\$	1,263,874
State KLEFPF			132,901
Miscellaneous Grants			15,054
State Fees For Services			
Security Fees	\$	157,753	
Bailiff		285,731	
Prisoner Transport		<u>3,230</u>	446,714
Circuit Court Clerk			380
Fiscal Court			1,332,556
County Clerk			21,240
Commission on Taxes			976,730
Fees Collected for Services:			
Auto Inspections		43,425	
Accident /Police Reports		8,480	
Serving Papers		126,478	
Executions		10,458	
Concealed Weapon License Fees		9,240	
Sheriff's 10% Fees		90,541	
Sheriff's Advertising Fees		10,225	
Sheriff's Advertising Costs		10,560	
Miscellaneous		3,590	
Airport Services		<u>67,133</u>	380,130
Other Revenues:			
Reimbursed Expenses		952	
Jury Meals Reimbursement		1,830	
Interest Earned	\$	44,174	
Insurance Settlement		15,446	
D.A.R.E. Officer		28,878	
School Resource Officer		<u>7,500</u>	\$ 98,780
Total Revenues			<u>4,668,359</u>

The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY
 KEITH CAIN, COUNTY SHERIFF
 STATEMENT OF REVENUES AND EXPENDITURES - REGUALTORY BASIS
 For The Year Ended December 31, 2004
 (Continued)

Expenditures

Payments to Subrecipients:

Bullitt County Fiscal Court (Meth Grant II)	22,882	
City of Elizabethtown (Meth Grant II)	93,376	
Warren County Fiscal Court (Meth Grant II)	56,956	
Breckenridge County Fiscal Court (Meth Grant III)	<u>91</u>	173,305

Payments to State:

Carrying Concealed Deadly Weapon Permits		6,120
------------------------------------------	--	-------

Payments Made To County:

County Collections		21,460
--------------------	--	--------

Other Expenditures:

Prisoner Transport Services	7,299	
Miscellaneous Prisoner Transport Expenses	200	
Jury Lunches	1,830	
CCDW Refund	60	
Executions	10,458	
Reimbursed Expenditures	<u>26,958</u>	<u>46,805</u>

Total Expenditures		<u>247,690</u>
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Net Revenues		4,420,669
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Payments to State Treasurer:

75% Operating Fund	4,152,099	
25% County Fund	<u>268,570</u>	<u>4,420,669</u>

Balance Due at Completion of Audit		<u>\$ 0</u>
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The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY
 KEITH CAIN, COUNTY SHERIFF
 STATEMENT OF REVENUES, EXPENDITURES, AND
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND
AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS

For The Year Ended December 31, 2004

	75% Operating Fund	25% County Fund	Totals
Fund Balance - January 1, 2004	\$ (109,887)	\$ -	\$ (109,887)
<u>Revenues</u>			
Fees Paid to State - Operating Funds (75%)	4,152,099		4,152,099
Fees Paid to State - County Funds (25%)		268,570	268,570
Total Funds Available	4,042,212	268,570	4,310,782
<u>Expenditures</u>			
Personnel Services-			
Sheriff's Statutory Maximum	88,150		88,150
Deputies' Salaries	1,935,343		1,935,343
Employee Benefits-			
Employer's Share Social Security	144,591		144,591
Employer's Share Retirement	317,888		317,888
Employer's Paid Health Insurance	240,532		240,532
Contracted Services-			
Advertising	6,992		6,992
Materials and Supplies-			
Office Materials and Supplies	9,763		9,763
Uniforms	52,662		52,662
Law Enforcement Supplies	16,132		16,132
Emergency Operations Center Software & Equipment	499,880		499,880
Convention	2,895		2,895
Insurance	28,627		28,627
K-9	5,044		5,044
K-9 Training	2,567		2,567
Training	13,721		13,721
Supplies	5,124		5,124

The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY
 KEITH CAIN, COUNTY SHERIFF
 STATEMENT OF REVENUES, EXPENDITURES, AND
 FUND BALANCES OF THE SHERIFF'S OPERATING FUND
 AND COUNTY FUND WITH THE STATE TREASURER - REGULATORY BASIS
 For The Year Ended December 31, 2004
 (Continued)

	75% Operating Fund	25% County Fund	Totals
<u>Expenditures</u> (Continued)			
Other Charges-			
Miscellaneous	\$ 19,942		\$ 19,942
Phone	2,881		2,881
Cellular Phone	11,023		11,023
Travel	1,910		1,910
Workers' Compensation Ins.	42,014		42,014
Auto Expenses-			
Gasoline	81,953		81,953
Maintenance and Repairs	54,073		54,073
Radio/Siren Maintenance	12,256		12,256
Capital Outlay-			
Office Equipment	637		637
Equipment	19,850		19,850
Vehicles	109,937		109,937
Computers	1,574		1,574
Emergency Operations Center Fixtures & Hardware	392,841		392,841
Payments To County		268,570	268,570
Total Expenditures	4,120,802	268,570	4,389,372
Fund Balance - December 31, 2004	\$ (78,590)	\$ 0	\$ (78,590)

The accompanying notes are an integral part of the financial statements.

DAVIESS COUNTY
KEITH CAIN, COUNTY SHERIFF
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2004

Note 1. Summary of Significant Accounting Policies

A. Fund Accounting

A fee official uses a fund to report on the results of operations. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fee official uses a fund for fees to account for activities for which the government desires periodic determination of the excess of revenues over expenditures to facilitate management control, accountability, and compliance with laws.

B. Basis of Accounting

KRS 64.820 directs the fiscal court to collect any amount due from the County Sheriff as determined by the audit.

KRS 64.350 establishes that a fee official in counties with a population over 70,000 has two funds with the State Treasurer for the deposit of fees collected. Seventy-five percent (75%) of the fees collected is deposited in a County Sheriff's operating fund and used for office expenses of the fee official. The remaining twenty-five percent (25%) of fees collected is deposited to the county fiscal court fund and paid to the fiscal courts, urban-county governments, or consolidated local governments of the respective counties quarterly no later than April 15, July 15, October 15, and January 15. These funds are closed at the end of each official term by paying the balances to the respective county government.

The financial statements have been prepared on a regulatory basis of accounting, which demonstrates compliance with the laws of Kentucky and is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under this regulatory basis of accounting revenues and expenditures are generally recognized when cash is received or disbursed with the exception of accrual of the following items (not all-inclusive) at December 31:

- Interest receivable
- Collection on accounts due from others for 2004 services
- Reimbursements for 2004 activities
- Tax commissions due from December tax collections
- Payments due other governmental entities for payroll
- Payments due vendors for goods or services provided in 2004
- Payroll expenditures incurred but not paid

The Attorney General issued a letter which stated that some revenues of the fee official offices could be considered reimbursed expenses. All reimbursed expenses are treated as revenue in the 75 percent fund.

DAVISS COUNTY
KEITH CAIN, COUNTY SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004
(Continued)

Note 2. Employee Retirement System

The county officials and employees have elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost-sharing, multiple-employer defined benefit pension plan that covers all eligible full-time employees and provides for retirement, disability, and death benefits to plan members.

Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5.0 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 7.34 percent for the first six months and 8.48 percent for the last six months of the year. Hazardous covered employees are required to contribute 8 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.51 percent for the first six months and 22.08 percent for the last six months of the year.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information pertaining to CERS' progress in accumulating sufficient assets to pay benefits when due is presented in the Kentucky Retirement Systems' annual financial report which is a matter of public record. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by telephone at (502) 564-4646.

Note 3. Deposits

The Sheriff maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480(1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Sheriff and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of December 31, 2004, the Sheriff's deposits were fully insured and collateralized at a 100% level with collateral of pledged securities held by the Sheriff's agent in the Sheriff's name.

Note 4. Special Investigation Fund

The Daviess County Sheriff maintains a Special Investigation Fund for monies received from drug related arrests. The balance of the fund as of December 31, 2004 was \$3,969.

DAVIESS COUNTY
KEITH CAIN, COUNTY SHERIFF
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2004
(Continued)

Note 5. Reimbursed Expenses

The amount deposited to the Sheriff's Operating Fund (75%) with the Kentucky State Treasurer included reimbursed expenditures. The reimbursed expenditures include amounts from the State and County as well as refunds and totaled \$26,958.

Note 6. Federal Grants

The Sheriff's office received and expended federal grant awards during the calendar year. These awards included, from the U.S. Department of Justice, Office of Community Oriented Policing Services a Technology Grant in the amount of \$993,500. This grant's objective is to expand community policing efforts through the use of technology and other innovative strategies.

Also from the U.S. Department of Justice, Office of Community Oriented Policing Services two Methamphetamine Grant Awards in the amount of \$748,350 and \$98,948, respectively. The purpose of these grant awards is to help the Sheriff's office reduce the production, distribution, and use of methamphetamine.

The Sheriff also received, from the U.S. Department of Justice, a Bulletproof Vest Partnership award in the amount of \$12,383. The objective of this program is to offer assistance in the purchasing of protective gear for law enforcement officers.

Finally, the Sheriff received a Methamphetamine Enforcement Hot Spots Program Grant from the U.S. Department of Justice, Office of Justice Programs in the amount of \$750,000. The objective of this program is to provide leadership and direction in controlling the use and availability of illegal drugs and to improve the functioning of the criminal justice system, with emphasis on violent crime and serious offenders.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Louis Reid Haire, Daviess County Judge/Executive
Honorable Keith Cain, Daviess County Sheriff
Members of the Daviess County Fiscal Court

**Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With Government Auditing Standards**

We have audited the financial statements - regulatory basis of the Daviess County Sheriff for the year ended December 31, 2004, and have issued our report thereon dated September 27, 2005. The County Sheriff's financial statements are prepared in accordance with a basis of accounting other than generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Daviess County Sheriff's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether the Daviess County Sheriff's financial statements as of December 31, 2004, are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Report On Internal Control Over Financial Reporting And
On Compliance And Other Matters Based On An Audit Of The Financial
Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and the Kentucky Governor's Office for Local Development and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

Mountjoy & Bressler, LLP.

Mountjoy & Bressler, LLP

Audit fieldwork completed -
September 27, 2005

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Louis Reid Haire, Daviess County Judge/Executive
Honorable Keith Cain, Daviess County Sheriff
Members of the Daviess County Fiscal Court

Report On Compliance With Requirements
Applicable To Each Major Program And Internal Control
Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of the County Sheriff of Daviess County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2004. The County Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Daviess County Sheriff. Our responsibility is to express an opinion on the County Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County Sheriff's compliance with those requirements.

In our opinion, the County Sheriff of Daviess County, Kentucky, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Report On Compliance With Requirements
Applicable To Each Major Program And Internal
Control Over Compliance In Accordance With OMB Circular A-133
(Continued)

Internal Control Over Compliance

The County Sheriff of Daviess County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County Sheriff's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

Respectfully submitted,

Mountjoy & Bressler, LLP.

Mountjoy & Bressler, LLP

Audit fieldwork completed -
September 27, 2005

DAVIESS COUNTY
KEITH CAIN, COUNTY SHERIFF
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2004

Federal Grantor Program Title Grant Name (CFDA #)	Pass-Through Grantor's Number	Expenditures
Cash Programs		
U.S. Department of Justice		
OJP Methamphetamine Enforcement Hot Spots Program CFDA # 16.580	2002DDBX0070	\$ 277,716
Bulletproof Vest Partnership Program CFDA # 16.607	No grant number.	10,335
COPS 2001 Methamphetamine Initiative CFDA # 16.710	2001CKWX0164 *	59,274
COPS 2004 Methamphetamine Initiative CFDA # 16.710	2004CKWX0251 *	91
COPS 2003 Technology Grant CFDA # 16.710	2003CKWX0125 *	<u>813,436</u>
Total Cash Expenditures of Federal Awards		<u>\$ 1,160,852</u>

*Denotes major program.

DAVIESS COUNTY
KEITH CAIN, COUNTY SHERIFF
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For The Year Ended December 31, 2004

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Daviess County, Kentucky, and is presented on a modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Note 2 - The federal expenditures for Methamphetamine Enforcement Hot Spots program include grants to subrecipients as follows:

<u>Subrecipient</u>	<u>Pass-through Grant Amount</u>
City of Elizabethtown	\$ 93,376
Warren County Fiscal Court	56,956
Bullitt County Fiscal Court	22,882

Note 3 - The federal expenditures for 2004 Methamphetamine Initiative program consists of grants to subrecipients as follows:

<u>Subrecipient</u>	<u>Pass-through Grant Amount</u>
Breckinridge County Fiscal Court	\$ 91

DAVIESS COUNTY
KEITH CAIN, COUNTY SHERIFF
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CALENDAR YEAR 2004

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted?

___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Reportable condition(s) identified that are not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Identification of major programs:

CFDA Number

16.710

Name of Federal Program or Cluster

Public Safety Partnership And Community Policing Grants

Dollar threshold to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

___ yes X no

Section II - Financial Statement Audit Findings

No matters were reported.

Section III - Major Federal Award Program Audit Findings and Questioned Costs

No matters were reported.

